



# Closing Costs Explained

The closing is the final step of the home-buying process. Once everything has been cleared by the underwriter, the closing department and the title company will work together to get your closing disclosure ready to be signed at closing. Your closing disclosure details all the financial pieces of the transaction for you as the buyer; it may also show credits the seller is giving (if applicable).

## What are closing costs?

Closing costs are the expenses incurred by buyers and sellers for the services of various real estate and lending professionals when transferring ownership of a property. These expenses normally include an origination fee, property taxes, title insurance, escrow costs, appraisal fees, etc. Closing costs can be thousands of dollars and will vary depending on your lender, the mortgage you chose and the location of the home. You will get a better idea of the amount once you apply for a mortgage and receive a loan estimate that estimates the approximate costs you will owe on or before

closing. You may even be able to include your closing costs with your loan amount to limit how much out-of-pocket expenses you'll need to close.

## How much cash do I need to close?

The amount of cash needed to close is composed of your down payment and any applicable closing fees like title service or underwriting fees, etc., as well as the prepaid items for your initial taxes and insurance escrow accounts. Within three days of receiving your application, you will receive a loan estimate, which lists the estimated charges at closing. Right before closing, you will get a closing disclosure, which is an updated list that itemizes final closing costs.

## Closing

During closing, you will sign a variety of final documents. Be sure to bring a photo ID along with the proper form of payment to cover your down payment, closing costs, prepaid interest, taxes, insurance or any additional costs. After the closing documents are completed and all funds have been disbursed, you will receive the keys to your new home!

*Questions? Reach out today!*



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